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April 21, 1987

TO: Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining & May

THRU: Lowell P. Braxton, Administrator, Mineral Resource 48-5-9

Development and Reclamation Program

FROM: D. Wayne Hedberg, Data Management Coordinator

RE: Kennecott, Mine Plan Amendment to Relocate Flotation and Molybdenum Recovery Facilities, UCD Modernization Project,

Request for Board Concurrance, Amount and Form of Revised Reclamation Surety, ACT/035/002-II(87A), Salt Lake County,

Utah

Attached for your information is a copy of a brief summary of Kennecott's recent request for an amendment to the approved mining and reclamation plan for the UCD Modernization Project. Kennecott submitted a request to amend the approved mining and reclamation plan revision on December 9, 1986. The overall UCD Modernization project received final approval on September 23, 1986. This amendment involves constructing new flotation and molybdenum recovery units at the Copperton grinding/concentrator site. Tentative approval of the amendment request was granted on January 12, 1987.

The Division has completed its technical review of this amendment and is prepared to issue a formal approval upon the Board's acceptance of the revised reclamation bonding estimate. The existing reclamation bond held by the Division for the UCD Modernization Project totals \$6,483,525 in 1991 dollars. On March 31, 1987 Kennecott filed a revised reclamation bond (MR Form 5) totaling \$8,263,990 (in 1991 dollars) to include this amendment and the entire UCD Modernization Project revision. The Division now seeks the Board's concurrance on the amount and form of the revised surety.

Because this project modification has been categorized as an amendment to the approved plan, no formal publication or public comment period is warranted. Please refer to the attached summary for a brief description of the project amendment.

ATTACHMENT Mining and Reclamation Plan Summary Permit Amendment to UCD Modernization Project Relocation of Flotation and Molybdenum Recovery Facilities Kennecott, Utah Copper Division ACT/035/002-II(87A) Salt Lake County, Utah April 21, 1987 During Operations: Kennecott has evaluated several alternatives for modernization of the Utah Copper Division (UCD) flotation and recovery facilities to improve productivity and reduce operating costs. The selected alternative is to construct new flotation and molybdenum recovery units at the Copperton grinding/concentrator plant site. These new facilities will replace corresponding sections of the existing Magna and Arthur flotation and molybdenum recovery plants. The proposed flotation and molybdenum recovery facilities will be located at the Copperton grinding/concentrator plant, approximately one mile north of the town of Copperton in the southwest section of Salt Lake County. The site is approximately 25 miles southwest of Salt Lake City and is near Kennecott's Bingham Canyon Mine (see Figure 1). Changes to previously approved facilities and additional facilities to be constructed at the Copperton site within the approved permit area include: 1. A new flotation circuit will be constructed consisting of approximately 63 flotation cells to separate the copper and by-product minerals from the non-value material. A new molybdenum recovery plant will be constructed to separate and concentrate the molybdenite from the copper-molybdenum concentrate. Copper concentrate slurry will be pumped from the Copperton plant to the existing Utah smelter through a new five inch steel pipeline. Most of this pipeline will be buried along the same corridor as the ore slurry pipeline and the return water pipeline. A passive cathodic protection system will be provided for corrosion protection.

Page 2 - ATTACHMENT UCD Project Amendment Summary ACT/035/002-II(87A) April 21, 1987 The 48-inch ore slurry pipeline now under construction, will be utilized without modification to transport final flotation tailings by gravity to the existing tailings pond near Magna. 5. The previously approved Zone III retention pond will have adequate capacity to contain any spillage or emergency discharges from the grinding, flotation and molybdenum circuits that may occur due to unexpected shutdown in addition to the storm runoff volume generated from a 10 year-24 hour precipitation event. Following Operations: Upon termination of mining activities associated with this project amendment, the operator will implement the reclamation plan as outlined in the approved permit application (dated September 23, 1986) for the entire UCD Modernization Project. Variance Granted: None requested, or warranted for this permit amendment. Remaining Conditions: The operator has adequately addressed all of the conditions as outlined in the Division's January 12, 1987 tentative approval letter. No conditions remain to be resolved for this amendment request. 8946R, 21-22